

Sherwood Boehlert
Extension of Remarks
Statement on Introduction
Reinstatement of the Corporate Environmental Income Tax

Today I am introducing the Superfund Revenue Reinstatement Act of 2005, a bill to reinstate the corporate environmental income tax, which expired in 1995. The bill will provide a dedicated stream of revenue for our Nation's communities as they struggle to clean up the Nation's dirtiest abandoned hazardous waste sites and bring jobs back to their communities.

First passed by Congress in 1980, the corporate environmental income tax provided a dedicated stream of revenue for the so-called Superfund trust fund. In 1995, the last year before this corporate tax expired, it raised approximately \$700 million. At a rate of 12/100 of one percent on corporate profits over \$2,000,000, the tax was painless to business, but supported worthy and rightful public purposes – creating jobs, rebuilding our urban communities, and cleaning up a legacy of unfettered industrial activity. The oil industry, for example, paid just \$38 million in 1995. That is a small drop in the bucket for an industry which is making money faster than it can count.

Reinstating the corporate environmental income tax would raise about the same amount of revenue as it did in 1995, according estimates made by the Joint Committee on Taxation in 2003. That's a negligible burden to provide dedicated funds for restoring superfund sites.

And, where are these superfund sites? In urban areas of course, where redevelopment is needed and where jobs are needed. But what's been happening? Industry is developing greenfields in the far out suburbs because they don't want to touch superfund sites. And hundreds of thousands of brownfields across the nation sit idle instead of being returned to productive use. Can we really continue to afford leapfrogging existing and valuable infrastructure to build anew?

That's why the Superfund needs dedicated revenue. In 1995 when the tax expired, the Superfund held a significant surplus, so few people were concerned. Today, however, as many had predicted, the surplus is gone. An empty trust fund, annual budget squabbles, recent budget cuts, and larger and more complex site cleanups have hurt the superfund program, slowing or delaying cleanups. The lack of dedicated revenue for superfund has also put pressure on other parts of the EPA's budget. That pressure surely has been felt by the Brownfields program, which is our premier program to bring sites back to productive use and hasn't yet been fully funded at authorized levels.

It is all the more distressing that we let the corporate environmental income tax lapse 10 years ago – forgoing \$7 billion of dedicated funding for cleanup and redevelopment.

That is why it is time to rededicate ourselves to creating jobs, rebuilding our urban communities, and eliminating this blight on our communities by reinstating the corporate environmental income tax.